

# **NYC Rent Guidelines Board**

## ***Changes to the Rent Stabilized Housing Stock in NYC in 2020***

June 3, 2021

# Changes Report

- ▶ Rent regulation laws allow for shift in regulatory status of units
  - ▶ Housing Stability & Tenant Protection Act of 2019 eliminated certain methods of deregulation
  - ▶ Units enter, exit or change status
  - ▶ Report examines changes to rent stabilized housing stock
  - ▶ Totals represent a 'floor' or minimum count of actual number of newly regulated & deregulated units

# Additions to the Stock in 2020

- ▶ Events that lead to addition of stabilized units:
  - ▶ Section 421-a program
  - ▶ J-51 program
  - ▶ Articles 11, 14 & 15 of PHFL programs
  - ▶ Mitchell-Lama Buyouts
  - ▶ Lofts converted to stabilized units
  - ▶ Rent controlled apartments converting to rent stabilization
  - ▶ Other Additions

## Additions to the Stock in 2020

- ▶ 421-a Tax Exemption Program added 4,030 units Citywide:
  - ▶ Brooklyn: 54%
  - ▶ Bronx: 29%
  - ▶ Queens: 12%
  - ▶ Manhattan: 5%
  - ▶ Staten Island: None
  - ▶ Median legal rent of all 421-a stabilized units: \$3,258
- ▶ J-51 Program added 67 units in 2020

# Additions to the Stock in 2020

## ► Other Additions:

- Rent controlled apartments converting to rent stabilization: 146 units
- Lofts converted to stabilized: 36 units
- Mitchell-Lama buyout additions: none
- Articles 11, 14 and 15 of PHFL additions: none

## Additions to the Stock in 2020

- Overall, 4,279 units added to the rent stabilized housing stock in 2020
  - 51% decline from the prior year
- Median legal rent of these initially registered rent stabilized apartments in 2020: \$2,200
  - 54% decline from prior year

# Additions to the Stock in 2020

- ▶ Additions by Borough:
  - ▶ Brooklyn: 54%
  - ▶ Bronx: 28%
  - ▶ Queens: 12%
  - ▶ Manhattan: 7%
  - ▶ Staten Island: None

# Subtractions from the Stock in 2020

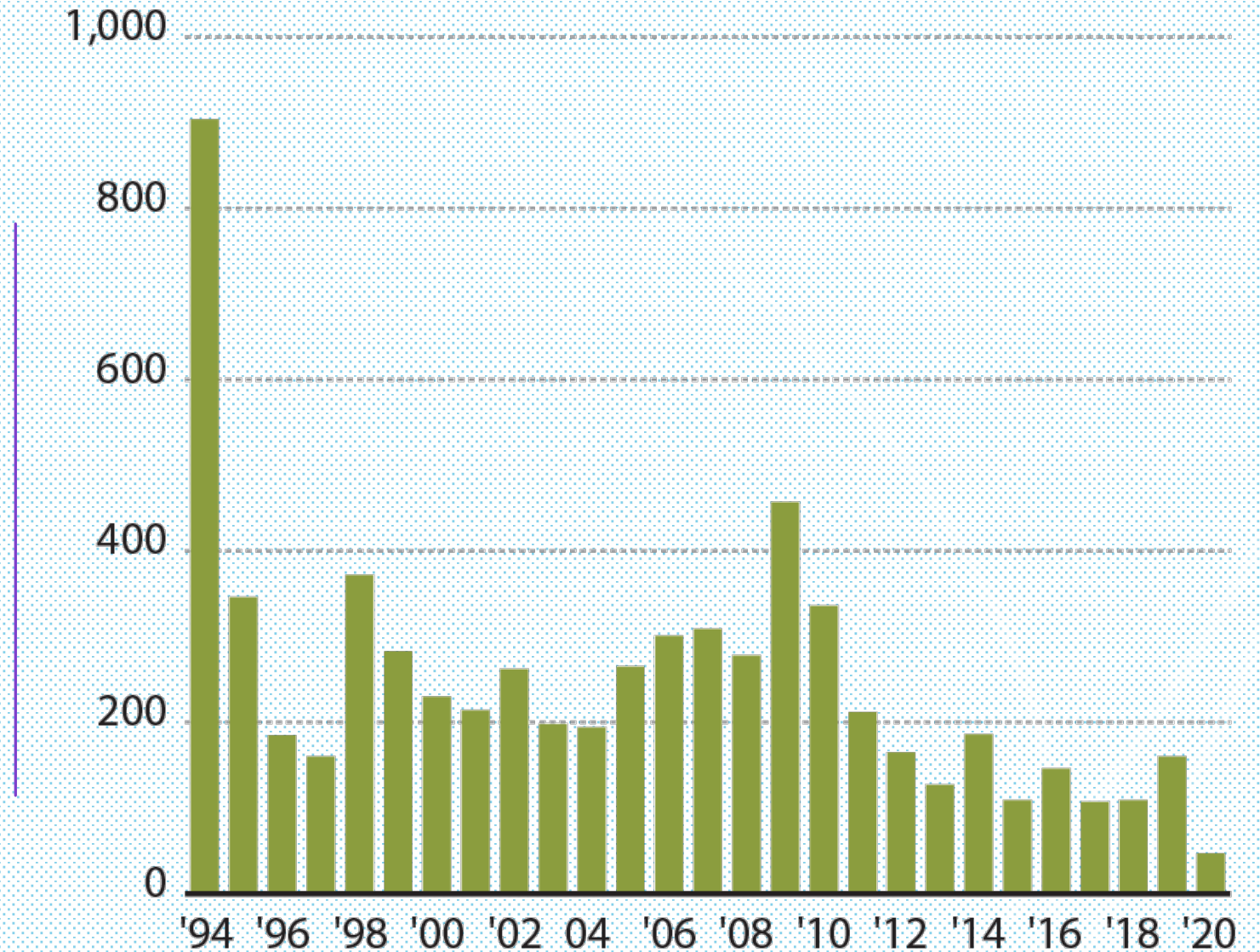
- ▶ Events that have led to the subtraction of stabilized units:
  - ▶ High-Rent High-Income Deregulation
  - ▶ High-Rent Vacancy Deregulation
  - ▶ Co-op/Condo Conversions
  - ▶ Expiration of 421-a benefits
  - ▶ Expiration of J-51 benefits
  - ▶ Substantial rehabilitation
  - ▶ Conversion to commercial or professional status
  - ▶ Other Losses to the Housing Stock



# Subtractions from the Stock in 2020

- ▶ High-Rent High-Income Deregulation:
  - ▶ 47 units removed
  - ▶ Down from 160 in prior year
- ▶ By Borough:
  - ▶ 62% in Manhattan
  - ▶ 30% in Brooklyn
  - ▶ 9% in Queens
  - ▶ None in the Bronx or Staten Island

High-Rent High-Income  
Deregulation:  
Removal of  
6,662 Units from  
1994 to 2020

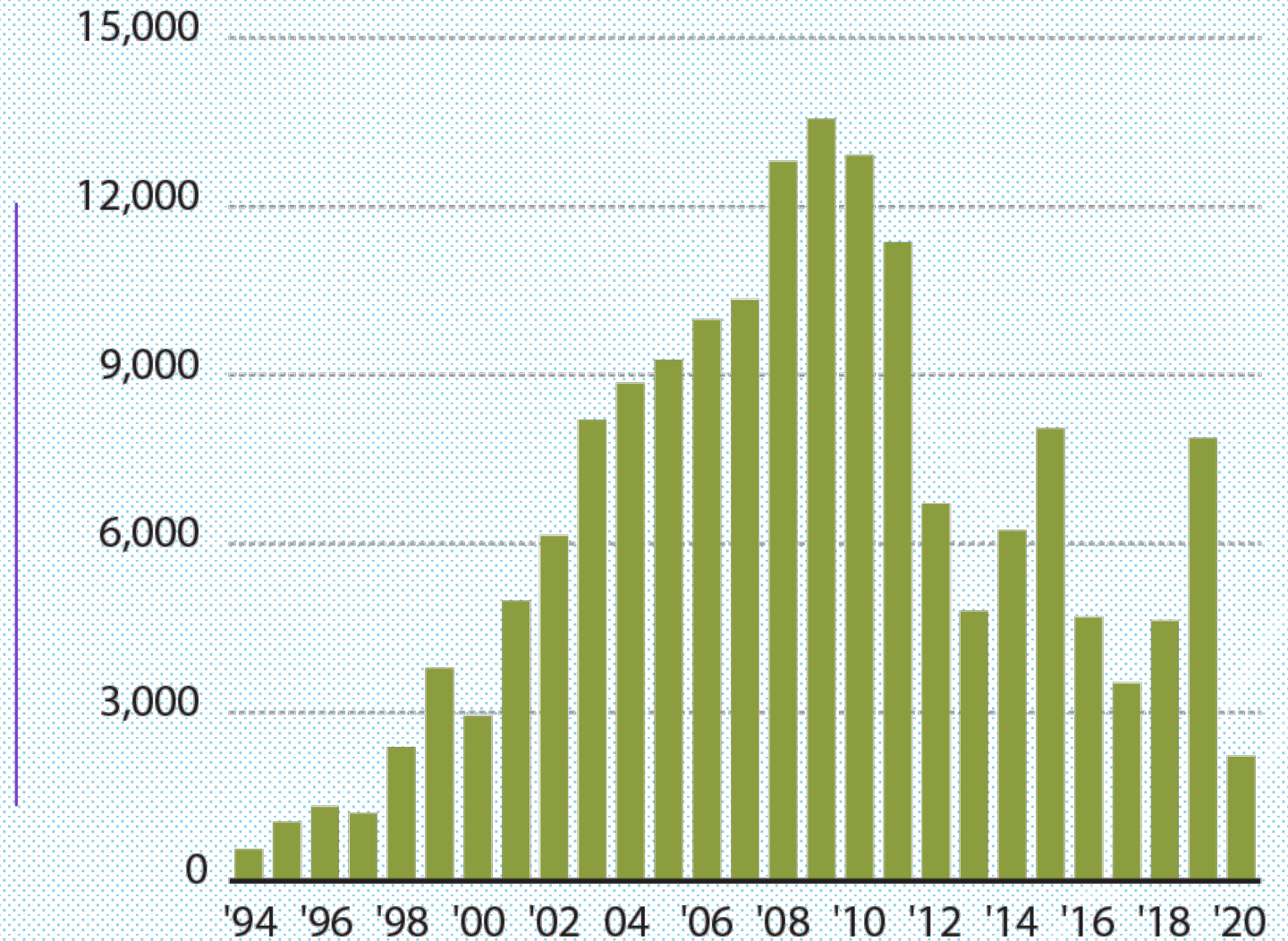


Source: HCR annual registration data

# Subtractions from the Stock in 2020

- ▶ High-Rent Vacancy Deregulation Subtractions:
  - ▶ 2,216 units removed, more than any other reason
    - ▶ Down from 7,878 their prior year
  - ▶ By Borough
    - ▶ 46% in Manhattan
    - ▶ 26% in Brooklyn
    - ▶ 23% in Queens
    - ▶ 4% in the Bronx
    - ▶ Additional 10 units on Staten Island

# High-Rent Vacancy Deregulation: Removal of 170,386 Units from 1994 to 2020



Source: HCR annual registration data

# Subtractions from the Stock in 2020

- ▶ Other Subtractions:
  - ▶ Co-op/Condo conversions: 481 units
  - ▶ 421-a expirations: 1,885 units
  - ▶ J-51 expirations: 355 units
  - ▶ Substantial Rehab: 175 units
  - ▶ Conversions: 2 units
  - ▶ Other: 1,471 units

# Subtractions from the Stock in 2020

- ▶ At least 6,632 units left stabilization in 2020
  - ▶ 41% fewer than prior year
- ▶ Subtractions by Borough:
  - ▶ Manhattan: 60%
  - ▶ Brooklyn: 23%
  - ▶ Queens: 13%
  - ▶ Bronx: 3%
  - ▶ Staten Island: Fewer than 1%

# Summary Table of Additions & Subtractions to the Rent Stabilized Housing Stock in 2020

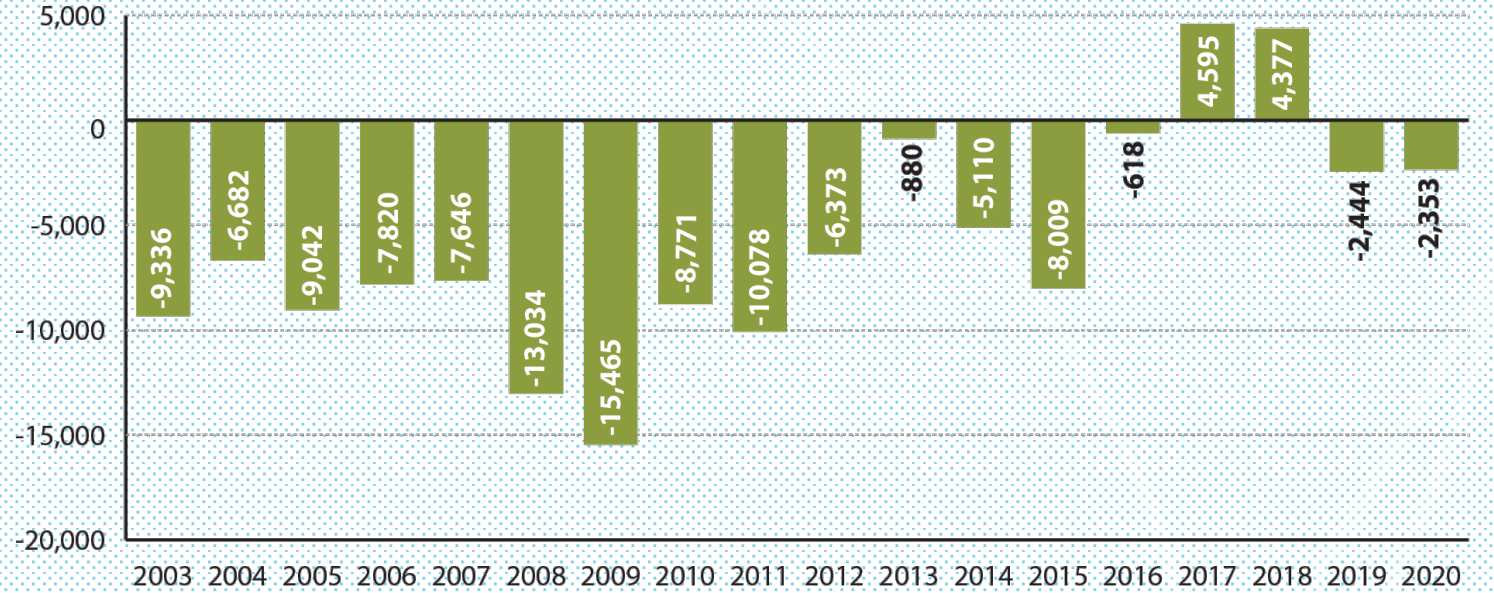
Program	Number of Units
<b>ADDITIONS</b>	
421-a	+ 4,030
J-51	+ 67
Mitchell-Lama buyouts	+ 0
Loft conversions	+ 36
Article 11, 14 or 15	+ 0
<b>CHANGES</b>	
Rent control to rent stabilization	+ 146
<b>Subtotal Additions &amp; Changes</b>	<b>+ 4,279</b>
<b>SUBTRACTIONS</b>	
Co-op and Condo subtractions	- 481
High-Rent Vacancy Deregulation	- 2,216
High-Rent High-Income Deregulation	- 47
421-a Expiration	- 1,885
J-51 Expiration	- 355
Substantial Rehabilitation	- 175
Commercial/Professional Conversion	- 2
Other Subtractions	- 1,471
<b>Subtotal Subtractions</b>	<b>- 6,632</b>
<b>NET TOTAL</b>	
<b>Net Estimated Loss</b>	<b>- 2,353</b>

## Summary of Changes in 2020

- The study finds an estimated net loss of 2,353 rent stabilized units in 2020
- Vast Majority of Additions to rent stabilized stock were from 421-a tax incentive program: 94%
- High-Rent Vacancy Deregulation make up a third of subtractions from the stabilized stock
- 421-a expirations accounted for 28% of subtractions



# Annual Net Change of Rent Stabilized Units 2003-2020



## Summary of Changes Since 1994

- Change in Rent Stabilized Stock over last 27 years:
  - 168,656 units added
  - 316,321 units removed
  - Estimated cumulative net loss of at least 147,665 units

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